



Advanced Insurance Gifting Programs

Case Study

Jack and Eileen are dedicated philanthropists who are aged 81 and 76, respectively. They are an affluent couple who have supported various important charitable activities throughout the course of time and are now interested in arranging a significant legacy gift by establishing a Foundation account at Canada Gives.

In the future, on the passing of the last survivor, a tax liability of about \$6 million will be triggered in their estate. Their existing financial structure and overall wealth provide Jack and Eileen with an opportunity to design a tax-effective solution which will help them mitigate estate tax and provide a significant legacy gift. Through consultation with Canada Gives, and their professional advisors, an advanced insurance gift plan is structured for the donors.

The plan involves incorporating an insurance program into the financial and estate plan of Jack and Eileen. Annual funding is required until the death of the last surviving spouse. On the death of the last surviving spouse, a gift of \$12 Million is made to Canada Gives, directing the funds to their Family Foundation account. This creates a tax credit of \$5.56 Million that can shield the estate from the majority of income tax that would have otherwise been payable.

Further, the tax effective manner in which the gift will be structured creates additional tax credits that essentially recover the value of the premium payments made to finance the insurance gift in the first place. Maximum gift potential with full estate preservation – a strategy that provides a meaningful result for both Canada Gives and the donor family.

The Basics

- In certain circumstances, a donor could make significant gifts through their Foundation account at Canada Gives and ensure that overall family wealth is preserved, perhaps even enhanced, for the estate.
- The structure of an advanced insurance gift will likely differ depending on the facts and circumstances of the donor involved.
- An opportunity to create income tax benefits that transcend traditional charitable gifting strategies may be available. Give much more...with much less!
- Advanced insurance gifts can be designed in collaboration with Canada Gives and your professional advisors.

About Canada Gives

Canada Gives is an independent public foundation designed to work with donors who are interested in setting their own philanthropic objectives and bringing their own priorities to their charitable giving.

We are committed to the charitable sector and to the major donors who support it. We encourage you to develop a “total giving strategy” which combines short-term funding for immediate needs (one-time gifts) together with long-term support generated by the annual grants from an endowment gift.

A Canada Gives Account enables donors to simplify, consolidate and focus their giving.

**To arrange your consultation contact,
Denise Castonguay, Executive Director:**

**T: 416-644-1573 E: info@canadagives.ca
www.canadagives.ca**

Charitable Registration #83306 2144 RR0001